

Auditing Procedures Report

Instructions and MuniCodes

=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name	MOORE TOWNSHIP	County	SANILAC	Type	TOWNSHIP	MuniCode	76-1-200
Opinion Date-Use Calendar	Jun 5, 2008	Audit Submitted-Use Calendar	Sep 19, 2008	Fiscal Year End Month	03	Fiscal Year	2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. Is the audit opinion unqualified?
		14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	18. Are there reported deficiencies?
	<input checked="" type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/>	\$ 154,330.00
General Fund Expenditure:	<input type="checkbox"/>	\$ 159,442.00
Major Fund Deficit Amount:		\$ 0.00

General Fund Balance:	<input type="checkbox"/>	\$ 382,662.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/>	\$ 1,718,060.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)	GARY	Last Name	ANDERSON	Ten Digit License Number			1101006446
CPA Street Address	715 E FRANK ST	City	CARO	State	MI	Zip Code	48723
CPA Firm Name	ANDERSON, TUCKEY, BERNARD	Unit's Street Address	715 E FRANK ST	Unit's City	CARO	Unit's Zip	48723

**TOWNSHIP OF MOORE,
SANILAC COUNTY
Snover, Michigan**

Report on Financial Statements
(with additional information)
Year Ended March 31, 2008

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

Gary R. Anderson, CPA
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Valerie J. Hartel, CPA
Terry L. Haske, CPA
Jamie L. Peasley, CPA
Timothy Franzel

Robert L. Tuckey, CPA

June 5, 2008

INDEPENDENT AUDITOR'S REPORT

Township of Moore
Sanilac County
Snover, Michigan 48472

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Moore Township's management. Our responsibility is to express an opinion about these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements—Management's Discussion and Analysis—for State and Local Governments, as amended and interpreted, as of March 31, 2008.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Moore as of March 31, 2008, and the result of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2008 on our consideration of Moore Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages i through vii and pages 18 - 20, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Township of Moore
June 5, 2008

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Moore's basic financial statements. The additional information beginning on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF MOORE

Management's Discussion and Analysis For the Fiscal Year Ended March 31, 2008

As management of the Township of Moore, we offer readers of the Township of Moore financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management Discussion and Analysis (MD&A) for State and Local Governments issued in June of 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. We expect this situation to be corrected next year.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$2,303,367 (net assets). Of this amount, approximately \$587,106 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$91,153.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$616,299, an increase of \$86,811 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was approximately \$382,662, or 240 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes, special assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, culture and recreational, and other functions.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains several individual governmental funds. Information is presented separately in governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the special revenue funds in additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 3 through 9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 6 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 17 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund and revenue budget. Required supplementary information can be found on pages 18 through 20 of this report.

Combining and individual fund statements and schedules can be found on pages 21 through 30 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$2,303,367 at the close of the most recent fiscal year.

A portion of the Township's assets (24 percent) reflects its investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the Township does not have any outstanding debt.)

TOWNSHIP OF MOORE**Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2008****Township of Moore's Net Assets**

	<u>Governmental activities</u>
	<u>March 31, 2008</u>
Current and other assets	\$ 621,336
Capital assets	<u>3,405,128</u>
Total assets	<u>\$ 4,026,464</u>
Current liabilities	\$ 5,037
Noncurrent Liabilities	<u>1,718,060</u>
Total liabilities	<u>\$ 1,723,097</u>
Net assets:	
Invested in capital assets	\$ 1,687,068
Restricted	29,193
Unrestricted	<u>587,106</u>
Total net assets	<u>\$ 2,303,367</u>

An additional portion of the Township's net assets (1 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$587,106 may be used to meet the government's ongoing obligations to citizens and creditors.

TOWNSHIP OF MOORE**Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2008**

Governmental activities. Governmental activities increased the Township's net assets by approximately \$1,633,989. Key elements of this increase are as follows:

Township of Moore's Changes in Net Assets

	<u>Governmental activities</u> <u>March 31, 2008</u>
Revenues:	
Program revenues:	
Charges for services	\$ 74,010
General revenues:	
Property Taxes:	
Levied for general purposes	29,753
Road levy	59,091
State sources	93,779
Investment earnings	11,286
Other	17,577
Total revenues	<u>285,496</u>
Expenses:	
General government	99,691
Public safety	16,874
Public works	84,945
Depreciation	11,997
Total expenses	<u>213,507</u>
Increase in net assets	71,989
Net assets, beginning of year	2,231,378
Net assets, end of year	<u>\$ 2,303,367</u>

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

TOWNSHIP OF MOORE

Management's Discussion and Analysis For the Fiscal Year Ended March 31, 2008

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$616,299, and increase of \$86,811 in comparison with the prior year. Approximately 95 percent of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved, undesignated, and total fund balance of the general fund was \$382,662. The fund balance of the Township's general fund increased by \$35,185 during the current fiscal year.

General Fund Budgetary Highlights

The final amended budget was changed from the original budget, and the individual fluctuations can be summarized as follows:

- \$15,550 decrease in general government activities
- \$900 increase in public works activities
- \$8,500 decrease in other functions

Capital Assets

The Township's investment in capital assets for its governmental and business type activities as of March 31, 2008 amounts to \$4,264,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and office equipment and furniture.

Township of Moore's Capital Assets (net of depreciation)

	<u>Governmental activities</u> <u>March 31, 2008</u>
Land	\$ 12,157
Buildings	68,346
Furniture and equipment	118,630
Construction in progress	<u>3,205,995</u>
	<u>\$ 3,405,128</u>

Additional information on the Township's capital assets can be found in Note 3 on page 15 of this report.

Economic Factors and Next Year's Budgets and Rates

Township of Moore's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2009.

Request for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Township Clerk's Office, 1800 Krueger Rd, Snover, MI 48472.

Basic Financial Statements

TOWNSHIP OF MOORE, SANILAC COUNTY
STATEMENT OF NET ASSETS
March 31, 2008

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Current Assets:			
Cash	\$ 451,628	\$ 33,064	\$ 484,692
Certificate of deposit	140,223		140,223
Accounts receivable	9,437	3,648	13,085
Fire run receivable	2,500		2,500
Internal balances	17,548	(17,548)	-
Prepaid expense	-		-
Total Current Assets	621,336	19,164	640,500
Capital Assets:			
Land	12,157		12,157
Capital assets, net of accumulated depreciation	3,392,971		3,392,971
Total Capital Assets	3,405,128	-	3,405,128
<u>TOTAL ASSETS</u>	<u>\$ 4,026,464</u>	<u>\$ 19,164</u>	<u>\$ 4,045,628</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accrued liabilities			-
Accounts payable	\$ 5,037		\$ 5,037
Total Liabilities	5,037	-	5,037
NONCURRENT LIABILITIES:			
Noncurrent portion of long term debt	1,718,060		1,718,060
TOTAL NONCURRENT LIABILITIES:	1,718,060	-	1,718,060
Net Assets:			
Contributed Capital		\$ 15,000	15,000
Invested in capital assets, net of debt	1,687,068		1,687,068
Restricted for capital projects	29,193		29,193
Unrestricted	587,106	19,164	606,270
Total Net Assets	2,303,367	34,164	2,337,531
<u>TOTAL LIABILITIES & NET ASSETS</u>	<u>\$ 4,026,464</u>	<u>\$ 34,164</u>	<u>\$ 4,060,628</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

		Program Revenue		Net (expense) Revenues		
		Charges for Services	Capital Grants and Contributions	Primary Government		Total
	Expenses			Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
General government	\$ 99,691	\$ 74,010		\$ (25,681)	-	\$ (25,681)
Public safety	16,874	-		(16,874)	-	(16,874)
Public works	84,945	-		(84,945)	-	(84,945)
Construction	-	-		-	-	-
Culture and recreational	-	-		-	-	-
Other functions	-	-		-	-	-
Depreciation	11,997	-		(11,997)	-	(11,997)
Total Governmental Activities	213,507	74,010	-	(139,497)	-	(139,497)
Business-type Activities						
Sewer	23,096	27,160	15,000		\$ 19,064	19,064
Total Primary Government	<u>\$236,603</u>	<u>\$ 101,170</u>	<u>\$ 15,000</u>	<u>\$ (139,497)</u>	<u>\$ 19,064</u>	<u>\$ (120,433)</u>
General Revenues:						
Property taxes - operating				\$ 29,753	-	\$ 29,753
Property taxes - roads				59,091	-	59,091
State revenue sharing				93,779	-	93,779
Investment earnings				11,288	-	11,288
Other				17,577	\$ 100	17,677
Total general revenues				211,486	100	211,586
Change in Net Assets				71,989	19,164	91,153
Net Assets, Beginning of Year				2,231,378	-	2,231,378
Net Assets, End of Year				<u>\$ 2,303,367</u>	<u>\$ 19,164</u>	<u>\$ 2,322,531</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2008

	<u>GENERAL</u>	<u>ROAD ASSESSMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>					
Cash	\$ 197,612	\$ 95,024	\$ 157,052	\$ 1,940	\$ 451,628
Certificate of Deposit	106,452	33,771		-	140,223
Accounts Receivable					-
Fire run receivable	2,500				2,500
Due from other funds	76,098	5,980		67,729	149,807
Prepaid expense					-
TOTAL ASSETS	<u>\$ 382,662</u>	<u>\$ 134,775</u>	<u>\$ 157,052</u>	<u>\$ 69,669</u>	<u>\$ 744,158</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accrued payroll taxes				-	-
Accounts payable			\$ 5,037	-	\$ 5,037
Due to other funds			122,822	-	122,822
Due to other governmental units					-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>127,859</u>	<u>-</u>	<u>122,822</u>
FUND EQUITY:					
Fund Balance - designated			29,193		29,193
Fund Balance - undesignated	\$ 382,662	\$ 134,775		\$ 69,669	587,106
TOTAL FUND BALANCE	<u>382,662</u>	<u>134,775</u>	<u>29,193</u>	<u>69,669</u>	<u>616,299</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 382,662</u>	<u>\$ 134,775</u>	<u>\$ 157,052</u>	<u>\$ 69,669</u>	<u>\$ 744,158</u>
Total governmental fund balances					\$ 616,299
Long Term Liabilities					\$ (1,718,060)
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:					
Cost of capital assets					3,536,849
Less accumulated depreciation					(131,721)
Net assets of governmental activities					<u>\$ 2,303,367</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	GENERAL FUND	ROAD ASSESSMENT	CAPITAL PROJECTS	OTHER NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE:					
Taxes	\$ 26,251	\$ 59,091		\$ 3,502	\$ 88,844
Licenses & permits	(6)				(6)
State revenue sharing-metro	2,583				2,583
State revenue sharing	93,779				93,779
Interest and dividends	9,768	1,518		-	11,286
Charges for services	6,955	-		5	6,960
Other revenue	15,000				15,000
Special Assessments - Hookup Fees			-	67,050	67,050
TOTAL REVENUE	154,330	60,609	-	70,557	285,496
EXPENDITURES:					
Legislative	21,846				21,846
Executive	5,580				5,580
Board of Review	1,928				1,928
Clerk	9,733				9,733
Treasurer	14,541				14,541
Elections	783				783
Assessor fees	9,445				9,445
Recreation	15,288				15,288
Township hall & grounds	29,785				29,785
Planning & Zoning	4,923			5	4,928
Public safety	16,874				16,874
Public works	22,781	58,681		3,483	84,945
Payroll taxes	4,134				4,134
Insurance and bonds	1,801				1,801
Construction			\$ 680,044		680,044
TOTAL EXPENDITURES	159,442	58,681	680,044	3,488	901,655
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(5,112)	1,928	(680,044)	67,069	(616,159)
OTHER FINANCING SOURCES (USES):					
Loan Proceeds			1,562,000		1,562,000
Payments on Loans			(859,030)		(859,030)
Operating transfers in	40,297				40,297
Operating transfers out		(40,297)			(40,297)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	35,185	(38,369)	22,926	67,069	86,811
FUND BALANCE - BEGINNING OF YEAR	347,477	173,144	6,267	2,600	529,488
FUND BALANCE - END OF YEAR	\$382,662	\$ 134,775	\$ 29,193	\$ 69,669	\$ 616,299

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$ 86,811
Loan Proceeds are a revenue in the governmental funds, but not in the statement of activities (where it is an increase of liabilities)	(1,562,000)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities)	859,030
Governmental funds report capital outlay as expenditures in the statement of activities. These costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(11,997)
Capital outlay	<u>700,145</u>
Change in net assets of governmental activities	<u><u>\$ 71,989</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
PRORIETARY FUND TYPE
STATEMENT OF NET ASSETS
March 31, 2008

	<u>PROPRIETARY FUND TYPE</u>
	<u>ENTERPRISE (SEWER)</u>
<u>ASSETS</u>	
Cash on hand & in bank	\$ 33,064
Certificates of deposit	
Due from other funds	1,062
Accounts receivable	3,648
Capital assets, net of depreciation	-
TOTAL ASSETS	<u>\$ 37,774</u>
 <u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:	
Accounts payable	
Due to other funds	\$ 18,610
Due to other governmental units	-
Deferred revenues	-
TOTAL LIABILITIES	<u>18,610</u>
NET ASSETS:	
Contributed Capital	15,000
Invested in capital assets, net of debt	
Unrestricted	4,164
TOTAL NET ASSETS	<u>19,164</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 37,774</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	<u>SEWER FUND</u>
OPERATING REVENUE:	
Charges for services	\$ 27,160
Miscellaneous	<u>100</u>
TOTAL OPERATING REVENUE	27,260
OPERATING AND MAINTENANCE EXPENSE:	
Utilities	1,106
Contracted services	3,150
Gas and oil	236
Postage	410
Supplies	6,912
Audit	2,500
Capital outlay	<u>8,783</u>
TOTAL OPERATING AND MAINTENANCE EXPENSE:	<u>23,096</u>
OPERATING INCOME (LOSS)	4,164
NON-OPERATING REVENUE:	
Interest earned	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	4,164
CONTRIBUTED CAPITAL	<u>15,000</u>
CHANGE IN NET ASSETS	19,164
RETAINED EARNINGS/FUND BALANCE - APRIL 1	<u>-</u>
RETAINED EARNINGS/FUND BALANCE - MARCH 31	<u><u>\$ 19,164</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	<u>SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	\$ 4,164
 CHANGE IN CURRENT ASSETS AND LIABILITIES	
(Increase) decrease in accounts receivable	(3,648)
(Increase) decrease in due from other funds	(1,062)
Increase (decrease) in accounts payable	-
Increase (decrease) in due to other funds	<u>18,610</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 18,064
 CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	-
Contributed capital	15,000
Disposal of equipment	<u>-</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 15,000
 CASH FLOWS FROM FINANCING ACTIVITIES	
Loan proceeds	-
Principal payments on debt	<u>-</u>
 NET CASH PROVIDED USED BY FINANCING ACTIVITIES	 -
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 33,064
 CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>-</u>
 CASH & CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$ 33,064</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
March 31, 2008

	<u>Current Tax Collection Fund</u>
 <u>ASSETS</u>	
Cash	\$ 121
Taxes Receivable	<u>74,295</u>
TOTAL ASSETS	 <u>\$ 74,416</u>
 <u>LIABILITIES</u>	
Due to Sandusky District Library	\$ 3,323
Due to county	30,295
Due to schools	31,361
Due to general fund	2,778
Due to road fund	5,980
Due to street light fund	<u>679</u>
TOTAL LIABILITIES	 <u>\$ 74,416</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township of Moore covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees and provides services to its more than 1,200 residents in many areas including law enforcement, administration of justice, community enrichment of development and human services.

The financial statements of the Township of Moore have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except for GASB 34 as explained in Note 9. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

ADOPTION OF NEW ACCOUNTING STANDARDS:

During the fiscal period 2008, the Township adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; GASB Statement 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments Omnibus*, and amendment to GASB No. 21 and No. 34, issued June 2001, and in GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001. These statements require the Township to prepare a Management's Discussion and Analysis, government-wide financial statements on an accrual basis, and make some changes to the footnotes.

The table shows beginning net assets restated for the effects of implementation of GASB Statement No. 34:

Fund Balance at March 31, 2007 – governmental funds	\$ 529,488
Net capital assets (restated)	2,716,980
Long-Term Loans	<u>(1,015,090)</u>
Restated net assets – April 1, 2007	<u>\$2,231,378</u>

A. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the general purpose financial statements of the Township of Wells contain all the funds and account groups controlled by the Township's Board as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, special assessments and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The Road Fund is a special revenue fund utilized to account for the road tax levy and to pay for road maintenance and construction expenditures.

The Capital Projects Fund is utilized to account for the construction of the sewer system in the Township.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION, (Continued):

Also, the government reports as fiduciary funds, the Tax Collection Fund (agency fund).

The Agency Fund is utilized to account for the Township's collections of taxes for other governmental units.

The Enterprise Funds (Sewer Funds) account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments and the public safety millage. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resources, as they are needed.

D. ASSETS, LIABILITIES, AND NET ASSETS:

1. Cash and Investments

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 40% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

D. ASSETS, LIABILITIES, AND NET ASSETS, (Continued):

3. Receivables

Receivables consist primarily of amounts for taxes and customers charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

4. Restricted Assets

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and Michigan law.

5. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40-60 years
Office Equipment	5-7 years
Computer Equipment	3-7 years

6. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other township resources to purchase or construct the water and sewer systems currently in use within the Township. In order to more accurately reflect the equity remaining in these contributions, the contributions will be amortized over the useful life of the assets they aided in constructing or purchasing.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

D. ASSETS, LIABILITIES, AND NET ASSETS (Continued):

7. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 2 – LEGAL COMPLIANCE – BUDGETS:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. Encumbrance accounting is employed in governmental funds. Significant encumbrances outstanding at year end, if any, are reported as reservations of fund balances because they will be re-appropriated in the subsequent fiscal year.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. Prior to February 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.
8. The General Fund line item for Recreation exceeded the final budget amount by \$4,038. This is a violation of the PA621 Budget Act.

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 3 - CAPITAL ASSETS:

A summary of changes in capital assets follows:

	BALANCE			BALANCE
	March 31, 2007	ADDITIONS	REDUCTIONS	March 31, 2008
Governmental Activities:				
Land	\$ 12,157			\$ 12,157
Buildings	130,872			130,872
Furniture and equipment	167,724	\$ 20,101		187,825
Subtotal:	310,753	20,101	-	330,854
Less: Accumulated Depreciation	(119,724)	(11,997)	-	(131,721)
Total Governmental Activities:	<u>\$ 191,029</u>	<u>\$ 8,104</u>	<u>\$ -</u>	<u>\$ 199,133</u>
Business-Type Activities:				
Sewer construction in progress	\$ 2,525,951	\$ 680,044	\$ -	\$ 3,205,995
Total Business-Type Activities	<u>\$ 2,525,951</u>	<u>\$ 680,044</u>	<u>\$ -</u>	<u>\$ 3,205,995</u>

NOTE 4 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$625,036 and the bank balance was \$628,306, \$334,149 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-party's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2008, the Township had no investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2008 are composed of the following:

	CASH AND CASH		RESTRICTED
	EQUIVALENTS	INVESTMENTS	ASSETS
General Fund:			
Deposits	\$ 304,064	-	
Other Government Funds:			
Deposits	258,594	-	\$ 29,193
Sewer Funds:			
Deposits	33,064	-	
Fiduciary Fund:			
Deposits	121	-	
TOTAL	<u>\$ 595,843</u>	<u>-</u>	<u>\$ 29,193</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 5 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2008 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 76,098	
Road Assessment Fund	5,980	
Capital Projects Fund		\$122,822
Street Lights Fund	679	
Debt Service Fund	67,050	
Current Tax Collection Fund	-	9,437
Sewer Fund	<u>1,062</u>	<u>18,610</u>
TOTAL	<u>\$150,869</u>	<u>\$150,869</u>

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date.

NOTE 7 – MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT:

Township officials have secured funding from Michigan Community Development Block Grant (CDBG) project MSC 202052 for the construction of a municipal lagoon sewer system. The grant is for \$1,718,350 with an estimated project completion date of June 30, 2008. The Township received two loans from the USDA Rural Development for \$638,000 and \$418,000. In addition, they have been approved to receive two grants from USDA Rural Development in the amount of \$500,000 each. The following is a summary of the revenue and expenditures in the Townships capital projects fund from the inception of the fund through the current fiscal year. The start of the project was delayed for various reasons. Current year expenditures were paid out of the Capital Projects Fund.

	<u>Revenue & other financing sources</u>	<u>Expenditures & other financing uses</u>
2008	\$1,562,000	\$1,539,074
2007	2,518,358	2,435,597
2006	-	90,354
2005	129,820	95,396
2004	32,480	68,279
2003	11,990	11,990
2002	<u>-</u>	<u>3,900</u>
Total	<u>\$4,254,648</u>	<u>\$4,244,590</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 8 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

NOTE 9 – LONG-TERM DEBT:

The amounts the Township will need to repay to the various units of government that provided financing for the capital project have not yet been determined. These amounts will be calculated during the next fiscal year after an analysis of jobs created has been completed. These liabilities have not been recorded the sewer fund. The cost of this uncompleted project is still shown as Construction in Progress in the Governmental Funds.

NOTE 10 - Transfers:

The Road Assessment Fund transferred \$40,297 to the General Fund during the current year. The transfer was made for repayment of road expenses.

Required Supplementary Information

TOWNSHIP OF MOORE, SANILAC COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2008

	BUDGET			VARIANCE- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
REVENUE:				
Taxes	\$ 30,000	\$ 30,000	\$ 26,251	\$ (3,749)
Licenses & permits		-	(6)	(6)
State revenue sharing- metro	2,500	2,500	2,583	83
State revenue sharing	72,500	72,500	93,779	21,279
Charges for services	7,000	7,000	8,955	(45)
Interest and dividends	6,000	5,000	9,768	4,768
Other revenue		15,000	15,000	-
TOTAL REVENUE	118,000	132,000	154,330	22,330
EXPENDITURES:				
Legislative	24,555	38,055	21,848	16,209
Executive	5,800	5,600	5,580	20
Clerk	10,600	10,300	9,733	567
Board of Review	600	1,200	1,928	(728)
Treasurer	18,900	18,600	14,541	4,059
Election	2,700	2,200	783	1,417
Payroll taxes	8,000	8,000	4,134	3,866
Insurance and Bonds	20,000	4,000	1,801	2,199
Assessor fees	14,750	14,750	9,445	5,305
Township hall & grounds	42,900	30,850	29,785	1,065
Planning & Zoning	11,300	11,000	4,923	6,077
Public safety	23,875	23,875	16,874	7,001
Public works	23,600	24,500	22,781	1,719
Recreation	19,750	11,250	15,288	(4,038)
Other expenditures				-
TOTAL EXPENDITURES	227,330	204,180	159,442	44,738
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(109,330)	(72,180)	(5,112)	67,068
OTHER FINANCING SOURCES				
Transfer from road fund	-	40,297	40,297	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING (USES)	(109,330)	(31,883)	35,185	67,068
FUND BALANCE - BEGINNING OF YEAR	347,477	347,477	347,477	-
FUND BALANCE - END OF YEAR	\$ 238,147	\$ 315,594	\$ 382,662	\$ 67,068

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD ASSESSMENT FUND
FOR THE YEAR ENDED MARCH 31, 2008

	BUDGET		ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUE:				
Taxes	\$50,000	\$ 50,000	\$ 59,091	\$ 9,091
Licenses & permits				-
State revenue sharing- metro				-
State revenue sharing				-
Charges for services		-	-	-
Interest and dividends		-	1,518	1,518
Other revenue				-
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>60,609</u>	<u>10,609</u>
EXPENDITURES:				
Public Works				
Gravel patching	60,000	59,000	56,486	2,514
Ditch maintenance	1,500	1,600	1,000	600
Road maintenance	15,000	15,000	1,195	13,805
TOTAL EXPENDITURES	<u>76,500</u>	<u>75,600</u>	<u>58,681</u>	<u>16,919</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(26,500)	(25,600)	1,928	27,528
OTHER FINANCING (USES):				
Transfer to general fund	-	(40,297)	(40,297)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING (USES)	(26,500)	(65,897)	(38,369)	27,528
FUND BALANCE - BEGINNING OF YEAR	<u>173,144</u>	<u>173,144</u>	<u>173,144</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 146,644</u>	<u>\$ 107,247</u>	<u>\$ 134,775</u>	<u>\$ 27,528</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MOORE, SANILAC COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2008

	BUDGET			VARIANCE- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
REVENUE:				
TOTAL REVENUE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:				
Wade Trim Construction			72,612	
Anglin Civil Construction			246,630	
Maudlin Construction			294,880	
Other Construction			18,583	
USDA Loan Interest			27,729	
State of MI Loan Payment				
Utilities			404	
Computer Software			4,226	
Miscellaneous			15,000	
TOTAL EXPENDITURES	<u>285</u>	<u>1,533,878</u>	<u>680,044</u>	<u>853,834</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(285)</u>	<u>(1,533,878)</u>	<u>(680,044)</u>	<u>853,834</u>
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	100,000	2,007,000	1,562,000	
Payments on Loans			(859,030)	
TOTAL OTHER FINANCING SOURCES (USES):	<u>100,000</u>	<u>2,007,000</u>	<u>702,970</u>	<u>(1,304,030)</u>
EXCESS OF REVENUE OVER EXPENDITURES & OTHER SOURCES (USES):	<u>99,715</u>	<u>473,122</u>	<u>22,926</u>	<u>(450,196)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,267</u>	<u>6,267</u>	<u>6,267</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 105,982</u>	<u>\$ 479,389</u>	<u>\$ 29,193</u>	<u>\$ (450,196)</u>

The accompanying notes are an integral part of the financial statements.

Additional Information

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING
USES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Property Taxes	\$ 30,000	\$ 26,251	\$ (3,749)
Licenses & permits		(6)	(6)
Intergovernmental			
State revenue sharing- metro	2,500	2,583	83
State revenue sharing	72,500	93,779	21,279
Interest and Dividends	5,000	9,768	4,768
Charges For Services:			
Land use Permits	1,000	1,455	455
Fire	5,000	4,000	(1,000)
Ditch cleanout			-
Cemetery lots	1,000	1,500	500
Misc			-
Total Chargers for Services	7,000	6,955	(45)
Other Revenue:			
Park Donations			-
Cemetery Donations			-
Other Revenues-other	15,000	15,000	-
Total Other Revenue	15,000	15,000	-
Sewage Disposal System			
TOTAL REVENUE	132,000	154,330	22,330
OTHER FINANCING SOURCES			
Transfer from road fund	-	40,297	40,297
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 132,000</u>	<u>\$ 194,627</u>	<u>\$ 62,627</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
GENERAL GOVERNMENT:			
TOWNSHIP BOARD:			
Salary	\$ 6,300	\$ 6,300	-
Administration			-
Legal	5,000	763	\$ 4,237
Audit and Accounting	1,700	1,895	(195)
Dues	755	662	93
Insurance	16,000	10,296	5,704
Printing and Publishing	2,000	(158)	2,158
Seminars and Meetings	1,800	1,335	465
Other	2,500	753	1,747
EDC	2,000		2,000
TOTAL TOWNSHIP BOARD	38,055	21,846	16,209
			-
SUPERVISOR:			
Salary	5,100	5,100	-
Supplies and travel	500	480	20
TOTAL SUPERVISOR	5,600	5,580	20
ELECTIONS:			
Wages and Mileage	1,500	706	794
Supplies	700	77	623
TOTAL ELECTIONS	2,200	783	1,417
ASSESSOR / EQUALIZATION:			
Salary and Wages	11,250	8,680	2,570
Processing- parcels			-
Equalization services	1,500		1,500
Supplies	1,000	727	273
Other	1,000	38	962
TOTAL ASSESSOR / EQUALIZATION	14,750	9,445	5,305
CLERK AND DEPUTY CLERK:			
Salary	9,600	9,600	-
Supplies	500	123	377
Other	200	10	190
TOTAL CLERK AND DEPUTY CLERK	10,300	9,733	567
TREASURER AND DEPUTY TREASURER:			
Salary	9,600	11,100	(1,500)
Supplies	4,000	3,441	559
Equalization services	2,500		2,500
Other	2,500		2,500
TOTAL TREASURER AND DEPUTY TREASURER	18,600	14,541	4,059

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENSES (continued)			
TOWNSHIP HALL & GROUNDS			
Telephone	\$ 1,600	\$ 1,548	\$ 52
Electric	1,500	1,250	250
Lawn Mowing	7,000	7,596	(596)
Snow Removal	700	650	50
Propane	3,600	3,084	516
Hall Cleaning and Supplies	1,500	1,353	147
Hall Maintenance	6,000	5,927	73
Capital Outlay			-
Sewer	6,700	7,377	(677)
Excavating	2,250	1,000	1,250
TOTAL TOWNSHIP HALL & GROUNDS	<u>30,850</u>	<u>29,785</u>	<u>1,065</u>
INSURANCE AND BONDS:			
GLC policy			-
Workman's Comp.	4,000	1,801	2,199
TOTAL INSURANCE AND BONDS	<u>4,000</u>	<u>1,801</u>	<u>2,199</u>
SOCIAL SECURITY/TOWNSHIP:			
Payroll Taxes	<u>8,000</u>	<u>4,134</u>	<u>3,866</u>
BOARD OF REVIEW:			
Salary and Mileage	<u>1,200</u>	<u>1,928</u>	<u>(728)</u>
ZONING			
Administrator Salary	3,100	3,240	(140)
Board Salary and Mileage	3,300	617	2,683
Supplies & expenses	4,600	1,066	3,534
TOTAL ZONING	<u>11,000</u>	<u>4,923</u>	<u>6,077</u>
TOTAL GENERAL GOVERNMENT	<u>144,555</u>	<u>104,499</u>	<u>40,056</u>

TOWNSHIP OF MOORE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY- FIRE PROTECTION:			
Wages	\$ 9,000	\$ 8,479	\$ 521
Training	4,500		4,500
Fuel	1,500	514	986
Radio and equipment repair	500	238	262
SCBA equipment	1,000	895	105
Truck service and repair	6,500	6,584	(84)
Dues	375	50	325
Mileage		76	(76)
Miscellaneous	500	38	462
TOTAL PUBLIC SAFETY	23,875	16,874	7,001
PUBLIC WORKS - DRAINS:			
Drains at large	5,000	3,077	1,923
ROAD MAINTENANCE AND REPAIR:			
Road brine	17,000	17,351	(351)
Metro act expenses			-
Brush spraying	1,500	1,479	21
Baling Gravel	1,000	874	126
Ditch cleanout			-
Planning			-
TOTAL ROAD MAINTENANCE AND REPAIR	19,500	19,704	(204)
SEWER PROJECT	-	-	-
TOTAL PUBLIC WORKS	24,500	22,781	1,719
RECREATION - MEMORIAL PARK:			
Electric	300	356	(56)
Lawn mowing	2,000		2,000
Repairs	8,000	13,920	(5,920)
Dumpster	400	540	(140)
Toilet rental	550	443	107
Misc		29	(29)
TOTAL RECREATION	11,250	15,288	(4,038)
TOTAL EXPENDITURES	\$ 204,180	\$ 159,442	\$ 44,738

TOWNSHIP OF MOORE, SANILAC COUNTY
ROAD ASSESSMENT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	\$ 50,000	\$ 59,091	\$ 9,091
Charges for services	-	-	-
Interest	-	1,518	1,518
TOTAL REVENUES	<u>50,000</u>	<u>60,609</u>	<u>10,609</u>
EXPENDITURES:			
Gravel patching	59,000	56,486	2,514
Ditch maintenance	1,600	1,000	600
Road maintenance	<u>15,000</u>	<u>1,195</u>	<u>13,805</u>
TOTAL EXPENDITURES	<u>75,600</u>	<u>58,681</u>	<u>16,919</u>
EXCESS OF REVENUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u>(25,600)</u>	<u>1,928</u>	<u>27,528</u>
OTHER FINANCING (USES):			
Transfer to general fund	<u>-</u>	<u>(40,297)</u>	<u>(40,297)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING (USES)	<u>(25,600)</u>	<u>(38,369)</u>	<u>(12,769)</u>
FUND BALANCE BEGINNING OF YEAR	<u>173,144</u>	<u>173,144</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 147,544</u>	<u>\$ 134,775</u>	<u>\$ (12,769)</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINING BALANCE SHEET -
OTHER NONMAJOR FUNDS
March 31, 2008

	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>DEBT SERVICE</u>	<u>TOTAL NON-MAJOR FUNDS</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,880	\$ 60	-	\$ 1,940
Certificate of deposit			-	-
Due from other funds	<u>679</u>		<u>\$ 67,050</u>	<u>67,729</u>
TOTAL ASSETS	<u>\$ 2,559</u>	<u>\$ 60</u>	<u>\$ 67,050</u>	<u>\$ 69,669</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable			-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY:				
Fund Balance - undesignated	<u>\$ 2,559</u>	<u>\$ 60</u>	<u>\$ 67,050</u>	<u>\$ 69,669</u>
TOTAL FUND BALANCE	<u>2,559</u>	<u>60</u>	<u>67,050</u>	<u>69,669</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 2,559</u>	<u>\$ 60</u>	<u>\$ 67,050</u>	<u>\$ 69,669</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - OTHER NONMAJOR FUNDS
YEAR ENDED MARCH 31, 2008

	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>DEBT SERVICE</u>	<u>TOTAL NONMAJOR FUNDS</u>
REVENUE:				
Taxes	\$ 3,502	-		\$ 3,502
Charges for services		\$ 5		5
Interest				-
Special Assessments - Hookup Fees			\$ 67,050	67,050
TOTAL REVENUE	<u>3,502</u>	<u>5</u>	<u>67,050</u>	<u>70,557</u>
EXPENDITURES:				
Gravel patching			-	-
Road improvements			-	-
Road maintenance			-	-
Street lighting	3,483		-	3,483
Zoning		5	-	5
TOTAL EXPENDITURES	<u>3,483</u>	<u>5</u>	<u>-</u>	<u>3,488</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>19</u>	<u>-</u>	<u>67,050</u>	<u>67,069</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,540</u>	<u>60</u>	<u>-</u>	<u>2,600</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,559</u>	<u>\$ 60</u>	<u>\$ 67,050</u>	<u>\$ 69,669</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
STREET LIGHTS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	<u>\$ 3,500</u>	<u>\$ 3,502</u>	<u>\$ 2</u>
TOTAL REVENUES	<u>3,500</u>	<u>3,502</u>	<u>2</u>
EXPENDITURES:			
Street lighting	<u>4,000</u>	<u>3,483</u>	<u>517</u>
TOTAL EXPENDITURES	<u>4,000</u>	<u>3,483</u>	<u>517</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u>(500)</u>	<u>19</u>	<u>519</u>
FUND BALANCE BEGINNING OF YEAR	<u>2,540</u>	<u>2,540</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 2,040</u>	<u>\$ 2,559</u>	<u>\$ 519</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
ZONING
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Charges for Services	<u>-</u>	<u>\$ 5</u>	<u>\$ 5</u>
TOTAL REVENUES	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES:			
Zoning	<u>-</u>	<u>5</u>	<u>5</u>
TOTAL EXPENDITURES	<u>-</u>	<u>5</u>	<u>5</u>
EXCESS OF REVENUE OVER EXPENDITURES UNDER(EXPENDITURES)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE BEGINNING OF YEAR	<u>\$ 60</u>	<u>60</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ -</u>

See the accompanying notes.

TOWNSHIP OF MOORE, SANILAC COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2008

	<u>BALANCE</u> <u>MARCH 31,</u> <u>2007</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE</u> <u>MARCH 31,</u> <u>2008</u>
<u>ASSETS</u>				
Cash	\$ 175		\$ 54	\$ 121
Taxes Receivable	<u>73,137</u>	<u>\$ 824,130</u>	<u>822,972</u>	<u>74,295</u>
TOTAL ASSETS	<u>\$ 73,312</u>	<u>\$ 824,130</u>	<u>\$ 823,026</u>	<u>\$ 74,416</u>
<u>LIABILITIES</u>				
Due to Sandusky District Library	\$ 3,672	\$ 33,121	\$ 32,772	\$ 3,323
Due to county	19,818	410,715	421,192	30,295
Due to schools	39,812	289,773	281,322	31,361
Due to general fund	10,010	33,483	26,251	2,778
Due to road fund	-	53,111	59,091	5,980
Due to street light fund	<u>-</u>	<u>2,823</u>	<u>3,502</u>	<u>679</u>
TOTAL LIABILITIES	<u>\$ 73,312</u>	<u>\$ 823,026</u>	<u>\$ 824,130</u>	<u>\$ 74,416</u>

See the accompanying notes.

TOWNSHIP OF MOORE

ADDITIONAL REPORTS REQUIRED
BY OMB CIRCULAR A-133

YEAR ENDED MARCH 31, 2008

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Schedule of Prior Audit Findings

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

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Jamie L. Peasley, CPA
Timothy Franzel

Robert L. Tuckey, CPA

June 5, 2008

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Township of Moore
Snover, MI 48472

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2008, which collectively comprise the Township of Moore's basic financial statements and have issued our report thereon dated June 5, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Township of Moore's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies as described as 2008-1 and 2008-2 in the accompanying schedule of findings and responses to be a material weakness in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Office locations in Caro,
Cass City & Marlette

To the Board of Trustees
June 5, 2008

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Township of Moore's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the board of trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

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June 5, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
Township of Moore
Snover, MI 48472

COMPLIANCE

We have audited the compliance of the Township of Moore with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended March 31, 2008. The Township of Moore's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program are the responsibility of the Township of Moore's management. Our responsibility is to express an opinion on the Township of Moore's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Moore's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Township of Moore's compliance with those requirements.

In our opinion, the Township of Moore complied, in all material respects, with the requirements referred to above that are applicable each of its major federal program for the year ended March 31, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Township of Moore is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township of Moore's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Township of Moore's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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To the Board of Trustees
June 5, 2008

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance required of federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we would consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of governmental activities, each major fund and the aggregate remaining fund information of the Township of Moore as of the year ended March 31, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Township of Moore's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the board of education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tuckey, Bernhardt & Doran, P.C.

**ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF MOORE, SNOVER, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2008

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 3/31/2007	(MEMO ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR RECEIPTS	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 3/31/2008
U.S. DEPARTMENT OF AGRICULTURE:								
Passed through USDA Rural Development:								
Community Development Block Grant	14.228	MSC-202052-EDIG		-	-			-
Rural Development Grant			\$ 500,000	-	-	\$ 500,000	\$ 500,000	-
Rural Development Sub Grant			383,000	-	-	383,000	383,000	-
Rural Development (Loan, 92.01)			638,000	-	\$ 356,000	282,000	282,000	-
Rural Development (Loan, 92.03)			418,000	-	21,000	397,000	397,000	-
			1,939,000	-	377,000	1,562,000	1,562,000	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE								
			1,939,000	-	377,000	1,562,000	1,562,000	-
TOTAL FEDERAL FINANCIAL ASSISTANCE								
			\$ 1,939,000	\$ -	\$ 377,000	\$ 1,562,000	\$ 1,562,000	\$ -

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2008**

NOTES:

1. Basis of Presentation – The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Township of Moore and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 and reconciles with the amounts presented in the preparation of the financial statements.
2. The Rural Development cluster (CFDA number 14.228) was audited as a major program representing 100% of federal expenditures.
3. The threshold for distinguishing Type A and Type B programs was \$300,000. This schedule was prepared on the modified accrual basis of accounting.

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2008**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified: ☒ Yes ☐ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.228

Rural Development Cluster

Dollar threshold used to distinguish between type A and Type B Programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2008**

There were no prior year audit findings for the year ended March 31, 2007.

June 5, 2008

To the Board of Trustees
Township of Moore
Snover, MI 48472

Schedule of Findings and Responses

Findings considered material weaknesses

Finding 2008-1

Criteria:

Statement on Auditing Standards #112 titled *Communicating Internal Control Related Matters Identified in an Audit* (issued May 2006), requires us to communicate in writing when a client requires assistance to prepare the financial statements and footnotes required in the annual audit report in accordance with accounting principles generally accepted in the United States of America.

Condition:

Currently, the District's staff requests the external auditor's assistance in the preparation of the annual financial statements and related footnotes.

Context:

External assistance is required to prepare the annual financial statements and related footnotes.

Effect:

Utilization of the external auditor in preparing the financial statements and related footnotes to the financial statements assists management with the external financial reporting responsibility, to ensure their financial statements are accurate.

Cause:

The staff of the district does understand all information included in the annual financial statements; however, assistance of the external auditor was utilized in preparing the financial statements and footnotes to the financial statements.

Recommendation:

At this time, we recommend no changes to this situation and communicate this as required by professional standards.

June 5, 2008

To the Board of Trustees
Township of Moore
Snover, MI 48472

Schedule of Findings and Responses

Findings considered material weaknesses

Finding 2008-2

Criteria:

Statement on Auditing Standards #112 titled *Communicating Internal Control Related Matters Identified in an Audit* (issued May 2006), requires us to communicate in writing when a client has a small staff that limits the segregation of duties.

Condition:

Due to the limited number of staff, many critical duties are combined and given to the available staff and/or board members.

Context:

Internal controls are weakened due to the lack of segregation of duties.

Effect:

Other staff members and/or board members must be utilized in order to achieve good internal controls.

Cause:

The district doesn't have enough staff in the business office to have a proper segregation of duties.

Recommendation:

At this time, we recommend the district segregate the duties whenever possible and communicate this as required by professional standards.



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA
Valerie J. Hartel, CPA
Terry L. Haske, CPA
Jamie L. Peasley, CPA
Timothy Franzel
.....
Robert L. Tuckey, CPA

June 5, 2008

To the Members of the Board
Township of Moore

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Moore for the year ended March 31, 2008, and have issued our report thereon dated June 5, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 5, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 5, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township of Moore are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Township of Moore changed its accounting policies related to full accrual financial statements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 34, in 2008. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 1. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 5, 2008.

Management Consultations with Other Independent Accountants

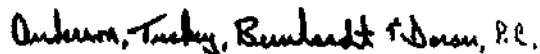
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members of the Board and management of the Township of Moore and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Anderson, Tuckey, Bernhardt, & Doran, P.C.
Certified Public Accountants